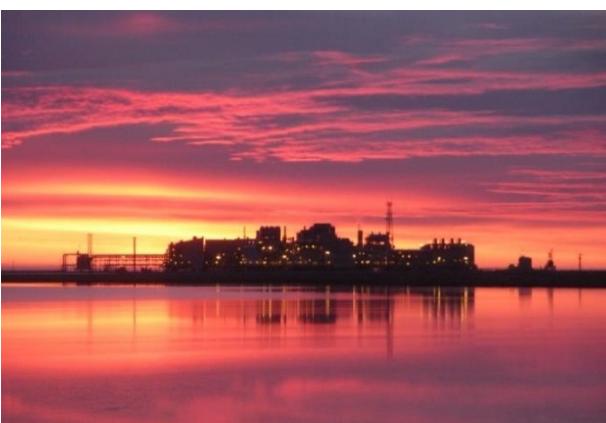


SB 199 State Land: Disposal/Sale/Lease/Restrict

Senate Resources Committee



Presented by Christy Colles, Director
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Alaska Department of Natural Resources
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Overview

- Authorize the Department of Education & Early Development (DEED) and the Department of Transportation & Public Facilities (DOT&PF) to directly dispose of surface land, rather than transferring land to the Department of Natural Resources (DNR) for conveyance
- Increase the cap on the Land Disposal Income Fund (LDIF)
- Update and improve provisions relating to DNR's land disposal procedures in AS 19.30, AS 38.04, AS 38.05
- Amends agricultural use restrictions
- Add a new statute relating to leases and sales of land for commercial development



Authority for Direct Disposal of State Land

- Proposed amendments allow the Department of Education and Early Development (amending AS 14.07.030) and Department of Transportation & Public Facilities (amending AS 35.20.070) to sell land directly to private parties
 - Streamlining land disposals, reducing multi-agency involvement
 - Expanding eligible recipients beyond federal, state agencies, and political subdivisions
- Department of Natural Resources first right of refusal for disposal of lands no longer needed for transportation public facilities



Land Disposal Income Fund (LDIF)

- The LDIF holds deposits from the state land disposal program
- Under current law, the portion of the fund in excess of \$5 million is to be deposited in the state general fund
- The bill raises state land disposal income fund cap from \$5 million to \$12 million
- Boosts spending authority for larger projects
- Addresses inflation since 2000; cap unchanged for 20 years
- Adjustment to funding cap, not appropriation
- Department can request limit increase in annual report

Agricultural Land Lease and Sale Procedures



- Amendment to AS 38.05.321 allows broader use of agricultural land and improvements
- Currently an agricultural landowner can only use the land for purposes that are incidental to and not inconsistent with agricultural land
- Proposed amendment would now allow an agricultural landowner to use land for purposes that are consistent with and do not interfere with the primary purpose



Access Road Construction

- Amends AS 19.30.080 to specify that access roads to surface disposals may be developed at a pioneer standard
 - Clarifying language on right-of-way widths within municipal boundaries
 - Align with municipal zoning requirements to the same extent as private developers



Land Sale Procedures

- Land sale disposal contracts
 - Longer purchase terms from 20 years to 30 years
 - Consistency in terms from “Foreclosure” to “Termination”
 - Allows for paid in full purchase when existing infrastructure would increase liability of financing a land sale purchase contract



Survey Requirements for Leases

- Discretion of cadastral surveys for long-term leases
 - Survey could be required where infrastructure boundaries or access management is in the best interest of the state
 - Reduces the financial and administrative burden on industries
 - Industry is challenged by current requirements
 - Ex: Renewable energy projects, grazing leases



Land for Commercial Development

- Stimulate economic development
- Offers land for leasing, and sale, by requesting proposals
 - For state land identified or nominated as a Qualified Opportunity Zone
 - For state land nominated by the public
 - For any other state land the commissioner deems appropriate for commercial development under 640 acres
- Nominated land may need to be reclassified
 - Provide additional public notice beyond normal AS 38.05.945



Sectional Analysis

- **Section 1:** Amends AS 14.07.030 to expand authority for land disposals for Dept. of Education and Early Development
- **Section 2:** Amends AS 19.30.080 for access road development related to surface disposals within a municipal boundary
- **Section 3:** Reenacted authority to Dept. of Transportation & Public Facilities to expand authority to vacate and dispose of land
- **Section 4:** Allows acceptance of gifts, donations, and grants for the purpose of providing signage within program receipts



Sectional Analysis, cont.

- **Section 5:** Raises state land disposal income fund cap from \$5 million to \$12 million
- **Section 6:** Removes the requirement of a cadastral survey for a long-term lease under AS 38.05.070
- **Section 7:** Grants the commissioner discretion to require a cadastral survey for a long-term lease issued under AS 38.05.070
- **Section 8:** Adds a new section AS 38.05.033 relating to gifts, donations, and grants for the purpose of providing signage



Sectional Analysis, cont.

- **Section 9:** Repeals and reenacts AS 38.05.055 to clarify requirements for public auction or sealed bid as the default methods for sale of state land
- **Section 10:** Amends AS 38.05.065(a) to allow a longer term of 30 years for contracts
- **Sections 11-14:** Updates AS 38.05.065(c), (d), (e), and (f) with consistent industry terms
- **Sections 15-16:** Amends AS 38.05.065(h) for consistency in land sale disposals. Adds new subsections (j) and (k)



Sectional Analysis, cont.

- **Section 17:** Adds new section to AS 38.05 (AS 38.05.086) for nomination, lease, and sale of land for commercial development through a best interest finding and public notification.
- **Section 18:** Amends AS 38.05.321 to expand allowable uses on conveyed agricultural land



Sectional Analysis, cont.

- **Section 19:** Amends AS 38.05.065 to include term ‘public auction’ to definitions section
- **Section 20:** Repeals AS 38.05.065(b) to conform with updates in previous section 15
- **Section 21:** Provides immediate effective date



Fiscal Note (\$ thousands)

- FY 2025 \$655.4 (5 positions)
 - Two Permanent Full-Time Natural Resource Specialists 3
 - Two Permanent Full-Time Natural Resource Specialist 2
 - One Permanent Full-Time Appraiser 1
- These positions will support timely adjudication of the expanded Land Sales with Commercial Development program applications
- FY 2026-2030 \$630.4 annually

Thank you!



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